

# **NORAM ENERGY SERVICES, INC.**

## **ORDER No. EA-105-CN**

### **I. BACKGROUND**

Exports of electric energy from the United States to a foreign country are regulated and require authorization under Section 202(e) of the Federal Power Act (FPA) (16 U.S.C. §824a(e)).

On June 2, 1995, NorAm Energy Services, Inc. (NorAm) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) for authorization to transmit electric energy to Canada and Mexico. NorAm is a power marketer which buys and sells electric energy for its own account and it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of electric energy at wholesale in interstate commerce, at negotiated rates. NorAm does not own or control any electric generating or transmission facilities, nor does it have a franchised service area.

NorAm proposes to purchase surplus electric energy from electric utilities in the United States and to export this energy on its own behalf to Canada and Mexico. In its application, NorAm proposes to deliver the exported energy over the international electric transmission facilities owned and operated by the following entities:

#### Owners of International Transmission Lines at the U.S. border with Canada

Basin Electric Power Cooperative	Maine Public Service Company
Bonneville Power Administration	Minnesota Power & Light Co.
Bradfield Electric	Minnkota Power Cooperative
Citizens Utilities Company	New York Power Authority
The Detroit Edison Company	Niagara Mohawk Power Corp.
Eastern Maine Electric Cooperative	Northern States Power Co.
Fraser Paper Ltd.	Vermont Electric Transmission Co.
Joint Owners of the Highgate Project	Washington Water Power
Long Sault, Inc.	
Maine Electric Power Company	

#### Owners of International Transmission Lines at the U.S. border with Mexico

Comision Federal de Electricidad	Southern California Edison
Central Power & Light Company	Company
El Paso Electric Company	
San Diego Gas & Electric Company	

Notice of this application appeared in the Federal Register on June 15, 1995, (60 FR 31453) requesting that comments, protests, and petitions to intervene be submitted to DOE by July 17, 1995. DOE received comments and petitions to intervene from El Paso Electric Company (EPE), San Diego Gas & Electric Company (SDG&E), The Detroit Edison Company (Detroit), Niagara Mohawk Power Corporation (NMPC), and Ontario Hydro (Ontario). At the request of NorAm, the period in which to submit reply comments was extended to September 8, 1995.

Since exports to Canada raise certain issues not present in exports to Mexico, DOE has addressed NorAm's application for authority to export to Mexico and Canada in two separate orders in this docket. Accordingly, on May 30, 1996, DOE issued Order EA-105-MX granting NorAm authority to export electric energy to Mexico. This Order briefly summarizes all comments received and issues raised by all intervenors in this proceeding. However, only those issues related to exports to Canada are specifically analyzed herein. Technical issues raised by the commenters unique to exports to Mexico were addressed in FE Order EA-105-MX.

## **II. SUMMARY OF COMMENTS**

### **A. PETITIONS TO INTERVENE AND PROTESTS**

#### **1. El Paso Electric Company**

On July 17, 1995, EPE filed a petition to intervene and protest in this proceeding. EPE claims that it has an interest in this proceeding because NorAm is proposing to use EPE's international transmission facilities to export electric energy to Mexico. EPE expresses the same concerns to NorAm's proposal as it did initially to a similar export application filed by Enron Power Marketing and simply attached its comments in the Enron proceeding to be incorporated in this docket. EPE's Enron comments primarily addressed the reliability impacts of the proposal and were filed herein before the February 6, 1996, in Order EA-102.

#### **2. San Diego Gas & Electric**

On July 14, 1995, SDG&E filed a petition to intervene, protest and comment in this proceeding. Because NorAm is proposing to use SDG&E's international transmission lines to export to Mexico, SDG&E claims an interest in this proceeding. SDG&E's comments also were a resubmittal of its earlier comments filed in response to Enron's application to export electricity to Mexico as a power marketer and related to concerns over potential reliability impacts associated with an undefined export.

#### **3. Detroit Edison Company**

On July 17, 1995, Detroit filed a petition to intervene and request for dismissal, including comments. Detroit claims a right to intervene in this proceeding since it owns international transmission facilities at the U.S. border with Canada and, along with Consumers Power

Company, operates the transmission facilities interconnected with Ontario Hydro. Detroit comments that NorAm is free to enter into sales contracts with Canadian or Mexican entities without the regulatory approval of DOE. Detroit asserts that DOE has jurisdiction only over the “transmission” of electricity to foreign countries, and absent generation or transmission facilities, NorAm has requested authorization for an activity in which it cannot engage. Detroit requested the application be dismissed.

#### 4. Niagara Mohawk Power Corporation

On July 19, 1995, NMPC filed a petition to intervene, protest, and request for further proceedings, including comments. NMPC owns two of the transmission facilities at the Canadian border which NorAm proposes to use. NMPC believes that the electric power market has not yet evolved to the point that would allow marketers to operate as they seek and asserts that waiving regulatory or reporting requirements for marketers may preclude DOE from making its required reliability determination. NMPC requests: (1) that NorAm be required to provide specific physical and operational information on its exports over NMPC facilities; (2) that any approval of the application be conditioned on adherence to applicable guidelines and standards of the North American Electric Reliability Council (NERC); and (3) that NorAm be required to comply fully with any existing transmission tariffs or agreements that it will use to implement the export.

#### 5. Ontario Hydro

On July 20, 1995, Ontario filed comments and a petition to intervene in this proceeding. Ontario is the provincial electric utility of the Province of Ontario, Canada, and is interconnected to U.S. utilities. Ontario resubmitted comments filed in Docket EA-103 (North American Energy Conservation, Inc. (NAEC)). In that docket Ontario does not oppose the NAEC application, but raises several concerns and requests that DOE convene a technical conference. It notes that the electricity export authorizations associated with several of the existing international transmission lines between the United States and Canada contain energy limits as well as limits on power transfers. Ontario expresses concern about authorizing marketers to export unlimited amounts of energy across certain interconnections when the owners of those interconnections are limited as to the amount of energy they may export.

Ontario supports the view that DOE ought to base export limits on the power transfer limits of the international lines and not on annual energy flow. Ontario asserts that the energy limits contained in the existing electricity export authorizations appear to have little relevance to specific reliability concerns and that they are contrary to the free trade principles established by the North American Free Trade Agreement. Ontario suggests that DOE use this opportunity to eliminate the annual energy limits for existing and future export authorizations.

### B. RESPONSE OF NORAM

On September 8, 1995, NorAm filed response comments in this proceeding. NorAm reemphasizes that by its application NorAm only seeks an advance determination that, in the event it executes a contract with a holder of a Presidential permit, and that contract satisfies all tariff and statutory requirements of the FERC, that Presidential permit facilities may be used to implement an electricity export transaction on behalf of NorAm. NorAm notes that commenters do not claim that the proposed export would cause a greater threat to system reliability and stability than transactions of power marketers executed wholly within the United States.

### **III. ANALYSIS**

The issue raised by EPE of FERC jurisdiction and authority to order retail wheeling is not relevant or a part of this DOE proceeding. Also, the issue of DOE's authority to order transmission service is not relevant, because that is not being done in this order.

The electric power industry is vastly different today than it was in 1935 (enactment of the Federal Power Act), especially with the recent introduction of power marketers. The passage of the Energy Policy Act of 1992, the signing of the North American Free Trade Agreement in 1993, and the issuance of FERC Order 888 have all promoted increased competition in energy markets in general, and the electric power market in particular. The interpretation and implementation of the statutory and regulatory requirements governing exports of electricity should be consistent with and account for these changes in the evolving electricity marketplace.

The authority requested of DOE by NorAm under section 202(e) of the FPA is a necessary condition for exporting. However, even with this grant of authority, NorAm must still make the necessary commercial arrangements and obtain any and all other regulatory approvals which may be required in order to effect the export, including obtaining all necessary transmission access required to wheel the exported energy to the foreign purchaser. In order to obtain sufficient transmission access to wheel the electricity to the border, NorAm must come to terms with the affected transmission systems and obtain any necessary regulatory approvals. In considering NorAm's request, the transmission systems would have to assess the reliability impacts of moving the export through their systems and, presumably, would only agree to provide service under terms and conditions that would not cause reliability problems on their own systems.

DOE never has applied the information filing requirements contained in its regulations in a rigid manner. Each application for authorization to export has unique commercial and/or technical issues which make rigid filing requirements impractical. However, the one constant component of an electricity export authorization is DOE's finding that the proposed export will not impair the sufficiency of electric supply within the U.S. and that it will not impede the coordinated use of regional transmission facilities. To this end, DOE has always used a flexible approach in determining the information necessary to evaluate the reliability impacts for a specific proposal to export. In addition to empirical studies and computer simulations, DOE has relied

upon established industry guidelines, operating procedures and/or infrastructure as evidence that sufficient safeguards exist to maintain electric system reliability.

DOE's "typical" reliability finding includes sufficiency of supply and regional coordination. Sufficiency of supply compares the total generating resources (including purchased power) to the peak demand the exporter may be called upon to supply. Regional transmission coordination is addressed through the use of power flow, transient stability and/or reactive compensation studies. These studies are used to insure that the export will not cause the regional power supply system to exceed established operating criteria (voltage, loading, frequency variations, etc.) under both normal and contingency conditions. In granting export authority to power marketers, DOE has broadened the approach it always has taken. DOE always has predicated its reliability analyses for "traditional" entities (e.g., electric utility companies and power pools) on the assumption that the exported energy would be supplied from system power; i.e., provided from the exporting system's total supply resources, without associating the exported energy with any particular component of those resources. In fact, the total supply resources of traditional applicants usually includes power purchased from other systems or regions. DOE believes it is neither possible nor appropriate to look behind an export and consider the reliability impacts of delivering power purchased from other sources onto the exporter's system.

Electricity marketers put together a power portfolio by purchasing various power products from a host of power suppliers. Because a marketer does not own any physical system to which these products may be delivered, DOE does not have the same starting point for its reliability analysis that it would in the case of the more traditional exporter. However, all exports by marketers do have identifiable delivery points: the transmission systems contiguous with the border. Once the exported energy arrives at one of these border systems, the impact on reliability would be similar to that for exports which are supplied from the system power of that border system. DOE believes that the technical analyses used to support the issuance of electricity export authorizations to border utilities are sound and that DOE need not perform additional reliability assessments as long as the maximum rate of transmission for all exports through a border system does not exceed the previously authorized export limit.

This approach is applicable only for exports by marketers over international transmission facilities for which export authorizations have been issued and for which reliability studies have been performed. However, several of the international transmission lines over which NorAm seeks export authority are owned and operated by the New York Power Authority (NYPA) and the Bonneville Power Administration (BPA).

As an instrumentality of the State of New York, NYPA is non-jurisdictional to section 202(e) of the FPA. Consequently, DOE has never issued NYPA an export authorization which could be used to limit exports by NorAm and for which a reliability assessment has been prepared. In lieu of the reliability analyses which would have been performed for an export authorization by NYPA, DOE is utilizing the information contained in the report entitled, "Load & Capacity Data, 1995 Report of the Member Electric Systems of the New York Power Pool." This report is prepared and filed with the New York Public Service Commission pursuant to section 6-106 of

the Energy Law of New York State. It will be made part of the record in this proceeding and included in the public docket. Section IX of this report lists the transmission transfer capabilities between the New York Power Pool (NYPP)<sup>1</sup> and surrounding electric systems, including Hydro-Quebec and Ontario Hydro. Since all of the major transmission interconnections between NYPP and Ontario Hydro are operated in parallel, it is appropriate to consider a single export limit for this “electrically logical” grouping of lines. Accordingly, the transfer capability between NYPP and Ontario Hydro (as identified in Section IX of the above report) has been used in the ordering language to limit exports by NorAm over all international transmission lines connecting the U.S. with Ontario Hydro. A separate limit has been assigned for exports over NYPA’s 765-kV tie with Hydro-Quebec because of the asynchronous nature of that interconnection.

As a Federal agency, BPA also is non-jurisdictional to section 202(e) of the FPA. Consequently, no export authorization exists which DOE could cite in limiting exports by NorAm over BPA’s international transmission ties with Canada. However, DOE has obtained information from BPA on the transmission limits assigned to the two 500-kV and the two 230-kV transmission lines connecting the BPA system with British Columbia Hydro and West Kootenay Power. This information has been used in the ordering language of this Order and has been made a part of the docket.

In its application, NorAm requests authority to export over transmission facilities DOE does not consider suitable for the transactions envisioned. Consequently, for the reasons discussed below, NorAm has not been granted export authority over the following facilities:

- C the 115-kV interconnections between Long Sault and Hydro-Quebec (**Presidential Permit PP-24**) are connected radially. These lines are used by Niagara Mohawk to wheel energy from Canadian Niagara Mohawk (NMPC’s Canadian affiliate) to radially-connected load in Quebec. The Canadian “end” of these lines is connected to a small generator which also supplies energy to the same radial load.
- C the 69-kV facilities issued jointly to Bradfield Electric Inc. and Alaska Power Authority (APA) (**Presidential Permit PP-87**) in order to supply surplus hydroelectric power from the APA Tyee Lake Hydro-Electric River Project to mining facilities in Canada.
- C the 69-kV facilities owned by Fraser Paper Limited, Madawaska, Maine (**Presidential Permit PP-11**). These facilities are used by Fraser’s Edmundston, New Brunswick, Canada, pulp mill to supply electric energy to Fraser’s U.S. paper mill (a distance of approximately 1 mile).

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<sup>1</sup> New York Power Pool is an association of NYPA and the seven major investor-owned electric utilities in New York State. NYPP dispatches power throughout New York State on a single-system basis and coordinates the development and operation of its members’ production and transmission facilities.

- C the 230-kV transmission facilities proposed by Washington Water Power Company (WWP) and authorized by **Presidential Permit PP-86**. These facilities have not been constructed and WWP has not applied for authorization to export over these facilities. Therefore, no analysis has been performed on the reliability impact of operating these facilities in the export mode.
- C the two, 345-kV transmission lines authorized in **Presidential Permit PP-76** to Vermont Electric Transmission Co. These facilities connect the  $\pm 450$ -kV direct current, international line authorized in this same permit to the existing alternating current system in New England. They lie wholly within the U.S. and do not cross the U.S. border with Canada.

A comment raised by Ontario is whether DOE can or should require border system utilities to abide by the energy limits contained in existing export authorizations, while authorizing marketers to export unlimited amounts of energy, but at limited rates of transmission. DOE recognizes this obvious inequity and will address this issue in a future proceeding. Until that proceeding is completed, exports by NorAm will be constrained by the same energy limits contained in existing export authorizations. Furthermore, the ordering language makes it clear that exports by NorAm will not be “charged against” (i.e., reduce) the energy limits which the holders of several export authorizations must now abide by. During the term of this Order, notice will be provided to the parties if any amendments to existing export authorization that would impact on this Order.

#### **IV. FINDING AND DECISION**

EPE, SDG&E, Detroit, NMPC, and Ontario Hydro have interests that may be affected by the outcome of this proceeding. Accordingly, all petitions to intervene in this proceeding are granted, and all protests submitted are noted.

Because NorAm has no native load obligations usually associated with a franchised service area, and because the electric power purchased by NorAm for export to Canada would be surplus to the needs of those entities selling the power to NorAm, DOE finds that such exports by NorAm would not impair the sufficiency of electric supply within the United States. Furthermore, based on discussion and analysis contained herein and in companion Order EA-105-MX, DOE finds that the proposed export would not impede or tend to impede the coordinated use of transmission facilities within the meaning of section 202(e) of the FPA.

The DOE also has assessed the potential environmental impacts associated with the authorizing of the proposed exports and has determined that this action is among those classes of actions not normally requiring preparation of an environmental assessment or an environmental impact statement, and, therefore, is eligible for categorical exclusion under Appendix B to Subpart D, paragraph B4.2 of the revised DOE Regulations implementing the National Environmental Policy Act of 1969. Documentation of the use of this categorical exclusion has been placed in this Docket.

## **V. ORDER**

Based on the above finding, it is hereby ordered that NorAm is authorized to export electric energy to Canada under the following terms and conditions:

(A) The electric energy exported by NorAm pursuant to this Order may be delivered to Canada only over the following existing international transmission facilities for which assessments of the transmission limits for operation in the export mode have been made:

<u>Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Basin Electric	Tioga, ND	230-kV	PP-64
BPA	Blaine, WA	2 - 500-kV	PP-10
	Nelway, WA	230-kV	PP-36
	Nelway, WA	230-kV	PP-46
Citizens Utilities	Derby Line, VT	120-kV	PP-66
Detroit Edison	St. Clair, MI	345-kV	PP-38
	Maryville, MI	230-kV	PP-21
	Detroit, MI	230-kV	PP-21
	St. Clair, MI	345-kV	PP-58
Eastern Maine Elect. Coop.	Calais, ME	69-kV	PP-32
Joint Owners of Highgate Project	Highgate, VT	345-kV	PP-82
Maine Electric Power Co.	Houlton, ME	345-kV	PP-43



<u>Owner</u>	<u>Location</u>	<u>Voltage</u>	<u>Presidential Permit No.</u>
Maine Public Service Co.	Limestone, ME	69-kV	PP-12
	Fort Fairfield, ME	69-kV	PP-12
	Arostock County, ME	138-kV	PP-29
	Madawaska, ME	2 - 69-kV	PP-29
Minnesota Power and Light Co.	International Falls, MN	115-kV	PP-78
Minnkota Power	Roseau County, MN	230-kV	PP-61
New York Power Authority	Massena, NY	765-kV	PP-56
	Massena, NY	2-230-kV	PP-25
	Niagara Falls, NY	2-345-kV	PP-74
	Devils Hole, NY	230-kV	PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230-kV	PP-31
Northern States Power	Red River, ND	230-kV	PP-45
	Roseau County, MN	500-kV	PP-63
Vermont Electric Transmission Co.	Norton, VT	450-kV DC	PP-76

(B) Exports authorized herein shall not cause a violation of the terms and conditions contained in existing electricity export authorizations associated with the international transmission facilities identified in paragraph (A) above. Specifically:

(1) Exports by NorAm pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-64 (issued to Basin Electric) to exceed an instantaneous transmission rate of 150 MW. The gross amount of energy which NorAm may export over the PP-64 facilities shall not exceed 900,000 megawatt-hours (MWh) during any consecutive 12-month period.

(2) Exports by NorAm pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-66 (issued to Citizens Utilities) to exceed an instantaneous transmission rate of 50 megawatts (MW). The gross amount of energy which NorAm may export over the PP-66 facilities shall not exceed 50,000 MWh annually.

(3) Exports by NorAm pursuant to this Order shall not cause the total exports on a combination of the facilities authorized by Presidential Permits PP-21, PP-38, and PP-58 (issued

to Detroit Edison) to exceed a coincident, instantaneous transmission rate of 2.2 billion volt-amperes (2,200 MVA). The gross amount of energy which NorAm may export over the PP-21, PP-38, and PP-58 facilities shall not exceed 4,000,000 MWh annually.

(4) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-32 (issued to Eastern Maine Electric Coop.) to exceed an instantaneous transmission rate of 15 MW. The gross amount of energy which NorAm may export over the PP-32 facilities shall not exceed 7,500 MWh annually.

(5) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-82 (issued to the Joint Owners of the Highgate Project) to exceed an instantaneous transmission rate of 200 MW nor cause a violation of the following security constrained export limits:

<u>Vermont Total Load (MW)</u>	<u>Security Constrained Maximum Export (MW)</u>
1000	0
900	40
800	90
700	125
600	150
500	170

(6) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-43 (issued to Maine Electric Power Company) to exceed an instantaneous transmission rate of 500 MW.

(7) Exports by NorAm made pursuant to this Order shall not cause the total exports on the combination of facilities authorized by Presidential Permits PP-12 and PP-29 (issued to Maine Public Service Company) to exceed a coincident, instantaneous transmission rate of 9.8 MW. The gross amount of energy which NorAm may export over a combination of the PP-12 and PP-29 facilities shall not exceed 40,000 MWh annually.

(8) Exports by NorAm made pursuant to this Order shall not cause total exports on the facilities authorized by Presidential Permit PP-78-1 (issued to Minnesota Power and Light Company) to exceed an instantaneous transmission rate of 100 MW. Exports by NorAm may cause total exports on the PP-78-1 facilities to exceed 100 MW only when total exports between the Mid-Continent Area Power Pool (MAPP) and Manitoba Hydro are below maximum transfer limits and/or whenever operating conditions within the MAPP system permit exports on the PP-78-1 facilities above the 100-MW level without violating established MAPP reliability criteria. However, under no circumstances shall exports by NorAm cause total exports on the PP-78-1 facilities to exceed 150 MW.

(9) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-61 (issued to Minnkota Power) to exceed an instantaneous transmission rate of 350 MW. The gross amount of energy which NorAm may export over the PP-61 facilities shall not exceed 3,000,000 MWh annually.

(10) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-63-4 (issued to Northern States Power) to exceed an instantaneous transmission rate of 500 MW.

(11) Exports by NorAm made pursuant to this Order shall not cause a violation of the following conditions as they apply to exports over the  $\pm$  450-kV direct current transmission line authorized by Presidential Permit PP-76<sup>2</sup>, as amended by PP-76A:

NEPOOL		
<u>Exports Through</u>	<u>Load Condition</u>	<u>Export Limit</u>
Comerford converter	Summer, Heavy	650 MW
Comerford converter	Winter, Heavy	660 MW
Comerford converter	Summer, Light	690 MW
Comerford converter	Winter, Light	690 MW
Comerford & Sandy Pond converters	All	2,000 MW

(12) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permit PP-56 (issued to NYPA) to exceed an instantaneous transmission rate of 1000 MW.

(13) Exports by NorAm made pursuant to this Order shall not cause the total exports on the facilities authorized by Presidential Permits PP-25, PP-30, PP-31 and PP-74 (issued to NYPA and Niagara Mohawk) to exceed a combined instantaneous transmission rate of 550 MW.

(14) Exports by NorAm pursuant to this Order shall not cause total exports on the two 500-kV lines authorized by Presidential Permit PP-10, the 230-kV line authorized by Presidential Permit PP-36, and the 230 kV line authorized by Presidential Permit PP-46 (issued to BPA) to exceed the following limits:

<u>Condition</u>	PP-36 & PP-46	PP-10	Total Export
	<u>Limit</u>	<u>Limit</u>	<u>Limit</u>
All lines in service	400 MW	1500 MW	1900 MW

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<sup>2</sup>The Presidential permit for the facilities in PP-76 was issued to Vermont Electric Transmission Company, the electricity export authorization associated with the transmission line was issued in FE Order EA-76-C to New England Power Pool (NEPOOL).

1-500 kV line out	400 MW	300 MW	700 MW
2-500 kV lines out	400 MW	0 MW	400 MW
1-230 kV line out	400 MW	1500 MW	1900 MW
2-230 kV lines out	0 MW	1500 MW	1500 MW

(C) Amendment of the export authorizations from which the export limits contained in subparagraphs B(1) through B(11) above were derived will result in a concomitant change to the export limits contained in those subparagraphs. Any request by NorAm for changes to the exports limits contained in subparagraphs B(12), B(13) and B(14) above will be considered by DOE after submission by NorAm of appropriate information demonstrating a change in the transmission transfer capability between NYPA and Ontario Hydro, NYPA and Hydro-Quebec, BPA and BC Hydro, or BPA and West Kootenay Power.

(D) NorAm may commence exports only over those international transmission lines identified in paragraph (A) for which NorAm provides DOE written evidence that sufficient transmission service has been obtained for delivery of the exported energy to the border. This evidence can consist of signed letters of agreement for the service between NorAm and each Presidential permit holder and should identify specific facilities by name and Presidential permit number.

(E) In scheduling the delivery of electricity exports to Canada, NorAm shall comply with all reliability criteria, standards, and guides of the North American Electric Reliability Council and Regional Councils, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(F) NorAm shall conduct all operations pursuant to the authorization hereby granted in accordance with the provisions of the Federal Power Act and pertinent rules, regulations, and orders adopted or issued by the DOE.

(G) The authorization herein granted may be modified from time to time or terminated by further order of the DOE, but in no event shall such authorization extend beyond the date of termination or expiration of the Presidential permits referred to in paragraph (A) above.

(H) This authorization shall be effective for a period of two years from the date of this Order. Within six months prior to the expiration of this authorization, NorAm may reapply for renewal of this two-year authorization or request a period of time longer than the two-year period.

(I) This authorization shall be without prejudice to the authority of any State or State regulatory commission for the exercise of any lawful authority vested in such State or State regulatory commission.

(J) NorAm shall make and preserve full and complete records with respect to the electric energy exported to Canada. NorAm shall furnish quarterly reports to the DOE, within 30 days following each calendar quarter, showing the gross amount of electricity delivered and the consideration received during each month of the previous quarter, and the maximum hourly rate of transmission.

(K) Exports authorized herein shall be reduced or suspended, as appropriate, whenever a continuation of those exports would impair or tend to impair the reliability of the U.S. electric power supply system.

Issued in Washington, D.C., on August 16, 1996.

Anthony J. Como  
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